

Message Text

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12

ORIGIN EB-11

INFO OCT-01 NEA-11 ISO-00 L-03 AID-20 IGA-02 TRSE-00 OMB-01

CIAE-00 DODE-00 PM-07 H-03 INR-10 NSAE-00 NSC-10

PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15 SAM-01

FCSC-01 MC-02 /127 R

DRAFTED BY EB/IFD/OIA:BBROOKENS

APPROVED BY EB/IFD/OIA:MKENNEDY

EB/IFD/OIA:CNELLIS

NEA/GRK:LGEORGE

L/EB:SBOND(INFO)

----- 075489

R 152243Z FEB 74

FM SECSTATE WASHDC

TO AMEMBASSY ATHENS

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E.O. : 11652 N/A

TAGS : EFIN, GR

SUBJECT: GREEK LEND-LEASE ACCOUNT

REF : A) ATHENS 6964, OCTOBER 5, L973

B) A-7514, AUGUST 31, L973

1. DEPARTMENT HAS GIVEN SUBSTANTIAL CONSIDERATION TO EMBASSY'S CONCERNS NOTED REFTEL ABOUT BROACHING LONG UNSETTLED LEND-LEASE ACCOUNT WITH GOG. HOWEVER, IN VIEW OF CONTINUED STRONG INTEREST IN EXECUTIVE BRANCH AND CONGRESS IN ACHIEVING SETTLEMENT OF LONG PENDING CASES SUCH AS THIS ONE, EMBASSY IS REQUESTED TO BEGIN TECHNICAL DISCUSSIONS WITH GOG ON THIS MATTER ALONG LINES INDICATED IN REF B; DEPARTMENT WILL ENDEAVOR TO PROVIDE FULL ANSWERS TO QUESTIONS RAISED IN REF. A.

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2. FOLLOWING IS INTERIM REPLY TO QUESTIONS RAISED IN

REFTEL. ADDITIONAL RESEARCH WILL BE NECESSARY, PARTICULARLY TO ATTEMPT TO LOCATE DOCUMENTS WHICH HAVE LONG SINCE BEEN RETIRED. TECHNICAL DISCUSSIONS WITH THE GOG MAY CLEAR UP OTHER POINTS.

3. FOLLOWING RESPONSES KEYED TO QUESTIONS IN REF. A:

PARA. 2(A) THE DEPARTMENT HAS NOT UNDERTAKEN TO CHANGE ITS POSITION REGARDING SETTLEMENT TERMS. PARA. 2

OF THE NATIONAL ADVISORY COUNCIL ACTION NO. 40 MEETING 14 OF FEBRUARY 27, 1946 PROVIDES, "THE NATIONAL ADVISORY COUNCIL FURTHER APPROVES THE PRINCIPLE THAT IN GENERAL, NEGOTIATIONS FOR SETTLEMENT CLAIMS ARISING OUT OF THE WAR WILL BE BASED ON THE PRINCIPLE OF OFFSETTING UNITED STATES OBLIGATIONS TO THE FOREIGN COUNTRIES AGAINST FOREIGN OBLIGATIONS TO THE UNITED STATES."

THIS PROVISIO DOES NOT PRECLUDE THE OFFSETTING OF ANY OBLIGATIONS ARISING UNDER THE WAR EFFORT DUE TO THE GREEK GOVERNMENT BY USG AGAINST THOSE DUE TO THE UNITED STATES GOVERNMENT FROM GOG. AS PER LEND-LEASE ADMINISTRATOR LANE'S LETTER OF JANUARY 6, 1947 TO MR. PAUL ECONOMU-GOURAS, CHARGE 'AFFAIRESAD INTERIM OF GREECE (COPY BEING POUCHED), PAYMENT COULD BE MADE BY THE "GREEK GOVERNMENT ASSUMPTION OF CERTAIN LIABILITIES AND MAKING CERTAIN OTHER CONCESSION IN A GENERAL LEND-LEASE SETTLEMENT, RATHER THAN BY PAYMENT IN DOLLARS." HOWEVER, OUR RECORDS SHOW THAT THE MAXIMUM POTENTIAL OFFSET FROM THE WAR PERIOD AMOUNTS TO APPROXIMATELY \$5,000 FOR INDIVIDUAL TORT CLAIMS AND DAMAGES INFLICTED BY OUR MILITARY PERSONNEL. IN CORRESPONDENCE OF THE USG WITH THE GOVERNMENT OF GREECE FROM JANUARY-JUNE 1946, WE SUBMITTED THE INVENTORY OF A) ITEM; FOR WHICH WE ARE CLAIMING SETTLEMENT BY FACT OF DELIVERY AFTER SEPTEMBER 2, 1945 OR REQUIRE CASH PAYMENTS BY VIRTUE OF STIPULATION IN THE AGREEMENT B) OR WERE RETRANSFERRED BY THE UNITED KINGDOM AFTER SEPTEMBER 2, 1945.

PARA. 2(B) DEPARTMENT IS ATTEMPTING TO LOCATE COPY LIMITED OFFICIAL USE

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OF DRAFT SETTLEMENT WHICH WAS SENT TO ARCHIVES IN 1958. A COPY WILL BE POUCHED AS SOON AS IT CAN BE RETRIEVED. SINCE NEGOTIATIONS WERE UNDERWAY, IT CAN BE PRESUMED THAT THE INVENTORY OF ITEMS STATED AS SENT AND USG CORRESPONDENCE TO THE GOG WERE ACTUALLY RECEIVED BY THE GOG.

PARAS. 2 (C) AND (B) NO INFORMATION IS IMMEDIATELY AVAILABLE IN DEPARTMENT OF THESE POINTS ON WHICH GOG IT-

SELF IN BEST POSITION TO PROVIDE ANSWERS.

PARA. 2(E) WOULD HAVE NO SUBSTANTIAL EFFECT ON THIS MATTER AT HAND SINCE THE U.S. DISCLAIMED IN THE AGREEMENT ANY INTENTION OF RECLAMATION. AT THAT TIME, SUCH A POSSIBILITY MAY HAVE BEEN NEGOTIABLE, BUT PRESENTLY SUCH A POSSIBILITY IS FOREGONE AND CONCLUSIVE.

PARA. 2(F) NAC ACTION OF 1946 SPELLED OUT POLICY OF NOT REQUIRING PAYMENT FOR WAR MATERIAL FURNISHED PRIOR TO SEPTEMBER 2, 1945. THE USG HAS CONSISTENTLY REQUESTED PAY-

FOR ITEMS TRANSFERRED OR RETRANSFERRED WITH U.S. PERMISSION AFTER SEPTEMBER 2, 1945. RUSH

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